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SUBJECT: ENERGY PACT CONFERENCE

¶1. SUMMARY: A new foundation, the Energy Pact, hosted a conference in Geneva March 16-17, featuring Ministers of Oil from Iran, Saudi Arabia, and Oman; Swiss and Danish Ministers of Environment; and several academics. Oil Ministers gave assurances about the adequacy of the supply of oil and argued for demand stability until alternative energy sources are developed. Other speakers suggested possible methods to transition to a world that is not quite so dependent on oil. END SUMMARY.

¶2. Gerhard Schroder, former Chancellor of Germany chaired an Energy Pact Conference in Geneva March 16-17. In his opening remarks, Schroder argued the world needs a reliable energy supply, but also needs results at the Copenhagen Climate Change Conference. He suggested the USA needs to talk directly with Iran and Syria, and establish a true partnership with Russia.

PETROLEUM MINISTERS: OIL IS GOOD FOR YOU

¶3. Ali Al-Naimi, Saudi Arabia's Minister of Petroleum, pointed out that the petroleum industry needs investment, but argued that the world need not yet worry about alternative energies. He said the Kingdom plans to become the world's largest supplier of solar energy, and is working on climate change, emissions control, and carbon capture technologies.

¶4. Gholam Hossein Nozari, Minister of Petroleum for Iran, read from a prepared statement, arguing the world needs to help poor countries develop energy resources. He said Iran is developing nuclear power for civilian electricity generation, and urged European countries to invest in Iran to secure energy for Europe.

¶5. Mohammed Hamed Al Rumhy, Minister of Oil for Oman, suggested the hype about energy security could be protectionism in disguise. He said the world needs demand-side security so investments can be made in oil; biofuels development destroys forests; and that a carbon tax not only is ineffective, but also protectionist.

ENVIRONMENT MINISTERS: NATIONAL PLANS IN PLACE

¶6. Moritz Leuenberger, Swiss Head of Environment, said greater government regulation is needed to develop cleaner energy sources, since the private sector is taking too long. On the replacement to the Kyoto Protocol, he said the 1992 annexes no longer are relevant. He mentioned that Switzerland has joined the Extractive Industries Transparency Initiative. Hans Jorgen Koch, Deputy Secretary of Climate and Energy of Denmark, said Denmark plans to move to 100 percent renewable sources of energy by 2090, primarily with wind power. Pierre-Franck Chevet, Director of Climate and Energy for the French Ministry of Environment, spoke of the EU 20-20-20 climate package, which aims to cut carbon dioxide emissions by 20 percent by 2020 from 1990 levels, increase energy conservation by 20 percent, and bring renewable energy sources up 20 percent.

¶7. Other speakers included Ashok Khosla, President of the International Union for Conservation of Nature, who spoke of the

need for systemic change to permit developing countries to leapfrog past polluting industries. Two Nobel Laureate physicists, Jack Steinberg, US, and Carlo Rubbia, Italy, gave their views on possible future energy sources, with Rubbia promoting methanol and possibly thorium fission, and Steinberger advocating thermal solar projects. More details are available at www.energypact.org.

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